

## Pan-American Trade Proves Friendly Link Between Nations



### United States-South American Trade Developed After Civil War

Prepared by National Geographic Society, Washington, D. C.—WNU Service.

"Foreign trade has long arms," said a rancher on the Argentine pampa. "I buy a Chicago windmill to pump water for my cattle, miles of barbed wire to fence my pastures, or a tractor from Detroit; I pay by selling North America a load of hides for tanneries, a cargo of flaxseed for paint factories—or I sell my hogs and cattle to a local packing plant that ships to London, and pay in cash."

Such is the essence of world trade.

Portuguese had founded the old town of Olinda, near what is now Recife (Pernambuco) in Brazil, about 100 years before Henry Hudson saw Manhattan island; by the time Massachusetts colony was being formed, they had already built many sugar factories thereabouts. Soon afterward, Dutch traders established Pernambuco, where centuries later the German transatlantic dirigible long tied up.

How gold-hunting Spaniards blazed trails from Panama to Argentina, conquered and sacked Indian settlements, and built their own cities and churches is an oft-told tale.

No less familiar is the record of English exploration, with the adventures of Sebastian Cabot, Sir Francis Drake, Hawkins, and others.

#### England Takes the Lead.

Up to the time of our Civil war, probably no man anywhere imagined what a destiny lay ahead of this continent.

Of course these young nations needed credit, capital, immigration—besides advice—just as did our own land in its youth. As with us, too, it was from Europe these things first came, in return for South America's raw materials.

England, particularly, took the lead. Though she did not send emigrants by hundreds of thousands, as Italy later did, she gave credit, supplied capital and business brains, started ocean ship lines, laid cables, and built railways until by 1900 she dominated the finances and commerce of all South America.

Guano from Peru was coming around the Horn to Baltimore, for use on our Atlantic coast farms, when the Mexicans still owned California. In 1809 Brazil sent us her first coffee, a cargo of 1,522 bags, landed at Salem, Mass., from the ship Marquis de Someruelas. From that first small shipment this trade has grown till now it takes 7,000,000 or 8,000,000 bags of Brazilian coffee to meet our needs.

#### Foreigners Take Roles.

Like Cecil Rhodes in Africa, certain foreign pioneers played conspicuous roles in South America's early development.

Some were English, some Irish, some from the United States. There was William Wheelwright, a Yankee who founded the historic Pacific Steam Navigation company, built railways, and had monuments raised in his honor. And Henry Meigs, from California, who "dug the amazing Oroquieta Railway across the sky-piercing passes of the Peruvian Andes"; and the two Harmons of Virginia, John and Archer, of "Guayaquil to Quito" fame.

In that miraculous rail-laying task, they say fever took one human life for every tie laid through 50 miles of jungle. Both brothers were dead before this job was done—one killed by a landslide; but not before the hardest work was finished and the rails well on their way to lofty, isolated Quito.

Fresh from County Cork, 200 young Irishmen landed in Peru one day in 1850. Among them was William R. Grace. Malaria killed most of the band; other survivors went on to Australia, but Grace stuck.

He started business with a store ship serving Peru's Chincha islands guano field and lived to see a passenger fleet of his own swarm over two seas, a fleet that was later to send one of the first ships through the Panama canal and the first un-

**The United States imports seven or eight million bags of Brazilian coffee each year. Here thousands of pounds are being burned in order to stabilize the price. The U. S. received its first shipment of coffee in 1809.**

der the new Golden Gate bridge at San Francisco.

**Panama Canal Opened.** When Grace died, long eventful years after his guano adventure, he had been twice mayor of New York city and had built up an organization which for far-flung diversity of operations was and is without parallel under the American flag.

Opening of the Panama canal speeded up sale and travel between the Americas and saw the Grace operations broaden almost to resemble such historic firms as the East India or Hudson's Bay companies.

Besides its sea and air ships, its two-way barter with South America is a perfect example of how commerce flows. Southbound, its boats may carry food, steel, farm implements, or other machines needed there, and bring back to us anything from tin and nitrate to balsa wood and coffee.

#### Rubber's Uses Multiplied.

Most of the world's rubber once came from the Amazon valley. After the discovery of vulcanization, rubber's uses multiplied and demand for it raised prices to \$3 a pound. Brazilians made fabulous fortunes almost overnight.

Then this rubber goose that laid the eggs of gold was slain. Rubber



A typical Gaucho soldier in the south of Brazil. Gauchos, herdsmen of the pampas, are noted for their skill in horsemanship and guerrilla warfare.

seeds, smuggled out, were used to start new plantations in Malaysia; now they supply most of the world's needs, and Brazil's output has dwindled to a few thousand tons.

However, following studies by the American Rubber commission, a Brazilian subsidiary of the Ford Motor company began operations in 1927 in the Amazon valley, original home of the rubber tree.

Comprising some 2,500,000 acres, the rubber lands lie along the Tapajoz river, a big tributary of the Amazon. At Fordlandia, 110 miles from the Amazon, the first trees were planted in 1929, and this year the first tapings of latex were made.

At Belterra, about 30 miles above the Tapajoz's mouth, another plantation is being started. This one is laid out in squares, and 25-foot roads run straight through at mile-and-a-half intervals.

Up to July 31, 1937, on both rubber farms more than 12,000 acres have been cleared and planted to 2,200,000 seedlings.

In a nursery about five million more young trees are being grown. The company has built its own town, with water works, sewers, hospital, stores, homes for the United States staff and native workers, a sawmill, dry kilns, electric plant, miles of roads, docks, warehouses, etc. It is also experimenting with a view to growing and marketing other tropical products, such as fibers, nuts, and vegetable oils.

## NATIONAL AFFAIRS

Reviewed by CARTER FIELD

**Loans to Latin-American countries to encourage trade viewed with fishy eye by congress . . . Experience with war loans leaves bad taste . . . Fewer people now expect Roosevelt to run for third term . . . Popularity of some New Deal policies on the decline.**

WASHINGTON.—Congress views with a fishy eye the idea so popular in the treasury department, and with exporters, for large loans to the various Latin-American countries. Of course there is the occasional member from a district where factories are clamoring for the orders it is expected such loans would aid. But for the most part what happened to similar loans, made for the same trade-encouraging purpose, is still green in the memory of the senators or representatives themselves, or their constituents.

Of course the present situation is complicated by the supposed designs of Hitler and Mussolini on Latin America. But so difficult is any intelligent solution of this question of loans that it might be seriously argued it would be far better, not only for Latin-America, but for the United States, if instead of calling these proposed credits "loans" we would actually call them "gifts" to start with!

It sometimes happens that a human being or a nation is grateful for a gift. It's not a thing that can be counted upon, either in human or national relationships, but it does happen once in a while. Certainly it never has the opposite effect.

But loans! They simply are never appreciated. Occasionally, in the years that followed the war, American travelers in Europe discovered some gratitude dating back to the American relief, which was purely gratuitous. But has anyone ever reported any friendly feeling because of the billions the United States loaned the stricken European nations after the Armistice? Which, by the way, adds up to just a little less than the totals of all debts to the United States by those governments after the readjustment downward of their debts in the "settlement" agreements worked out while Calvin Coolidge was President. So that the so-called "war loans" were a gift after all, even legally.

**World Owes Us More Than Twelve Billion Dollars**

But consider the problem of further loans to Latin America, and what will come later. It may be said that the money will never leave this country. Only the goods that the money thus "loaned" will buy. That may be true. But is any permanent good accomplished by selling goods for which one will probably never be paid? Especially if the debt thus accumulated promises to be a grievance more calculated to make hard feeling a few years hence—as in the case of the debts of the Allies to the United States—than to be appreciated?

And how else could the transactions terminate? Already the world owes the United States more than 12 billion dollars, of which some 4 billion is owed by Latin America. Assuming a willingness to pay, how is Latin America going to do it? What is she going to use for money?

Gold? We don't want any more, even if Latin America had it to pay, or might accumulate it some years hence. Our government has nearly fourteen and a half billion dollars worth of gold now, and no one is sure what it is worth to us, or what its value would be if the only big buyer in the world, Uncle Sam, suddenly stopped bidding \$35 an ounce for it.

The only way Latin America can pay is with goods or services. But those must be goods or services in excess of goods and services which the United States sells to Latin America.

**Various Theories as to What Caused Depression**

It is very popular, among amateur economists and political alibi seekers, to blame the depression that started with the crash of October, 1929, on the war. It is often alleged that this terrible aftermath of the war engulfed the whole world, and that nothing the United States could have done would have averted it.

Another school of economists blame what happened on the crazy wave of speculation in stocks, the pyramiding of prices until a crash was inevitable, and that the crash inevitably worked the depression.

But another theory is being evolved by some of the congressional opponents of further loans to Latin America. Which is that the chief cause for the crash and the depression that followed was nothing except the fact that the United States had gone hog-wild loaning its good money not only in Europe, but to Latin America, to a grand total of nearly 15 billion dollars!

Not that in parting with this mon-

ey we parted with goods which we later needed for our own economic salvation. That is the same sort of cockeyed economics that blames it on the aftermath of the war. Actually, the chief economic aftermath of the war was debt, and we owed the debt to ourselves! So the money spent on paying interest on this debt, and in retiring part of the principal—during the Andrew Mellon regime—was paid to our own citizens, and either spent here for goods or invested in enterprises which tended to produce employment.

**Actually America Was Loaning Goods, Not Money**

No, the real trouble of the huge loans back in the twenties was that we were actually loaning goods, not money, and in producing such a volume of goods, so that we could meet our own needs and the ordinary demand for exports and in addition ship these billions of dollars worth of goods which in a way we were selling on credit, we ran into difficulties. What happened was that every line of activity that was producing for the export trade was expanded beyond any sensible rhyme or reason.

True, we were using up our own savings to finance these exports. That is what it amounted to. But this alone would not have been serious. If we had a sane system of production and distribution, exporting only what other nations could afford to pay for and we could afford to take payment for by buying their goods, the mere loss of our savings would affect only the individuals stung with the sour bonds. Actually that loss, so far as totals are concerned, would not have been tragic, though of course it would have seemed so to many of the individuals.

In his acceptance speech in 1932 Franklin D. Roosevelt inquired what had happened to the profits the corporations made during the good years.

"Some of them," he said, "went to additions to plants, now standing stark and idle."

They were standing stark and idle because they had been built to produce exports for people who would never pay for them. When we stopped the loans—because of popular clamor after a few defaults—we stopped the exports. That closed down the factories, produced a vicious circle. Unemployed cannot buy. So the factories which had been supplying the workers who had been producing for export closed down. And so on.

**Changing Sentiment About Third Term for Roosevelt**

Not so many people expect Franklin D. Roosevelt to run for a third term as did six months or a year ago. This is the almost unanimous report brought back to Washington from various parts of the country by senators and representatives.

This has nothing to do with whether these people who have changed their own predictions want Roosevelt to run again or not. It has nothing to do with whether they would like to have him in the White House for four more years. It has nothing to do even with whether they favor a continuance of the New Deal policies. It is merely a change of their honest convictions as to what Roosevelt himself intends to do.

There has obviously been a decline in popularity of some of the New Deal policies. This was amply demonstrated by the primary and election results. Yet most of the returning congressmen say that lots of people voted for anti-New Deal Democrats and even for Republicans who are still strong for Roosevelt—many who would like to see Roosevelt continue in the White House for four more years.

Whether sentiment against a third term is strong enough to beat as popular a figure as Roosevelt is a question on which there is a wide variance of opinion among the congressmen who, naturally enough, have been listening eagerly to their constituents' opinions.

**What Results Will Flow From Change of Opinion?**

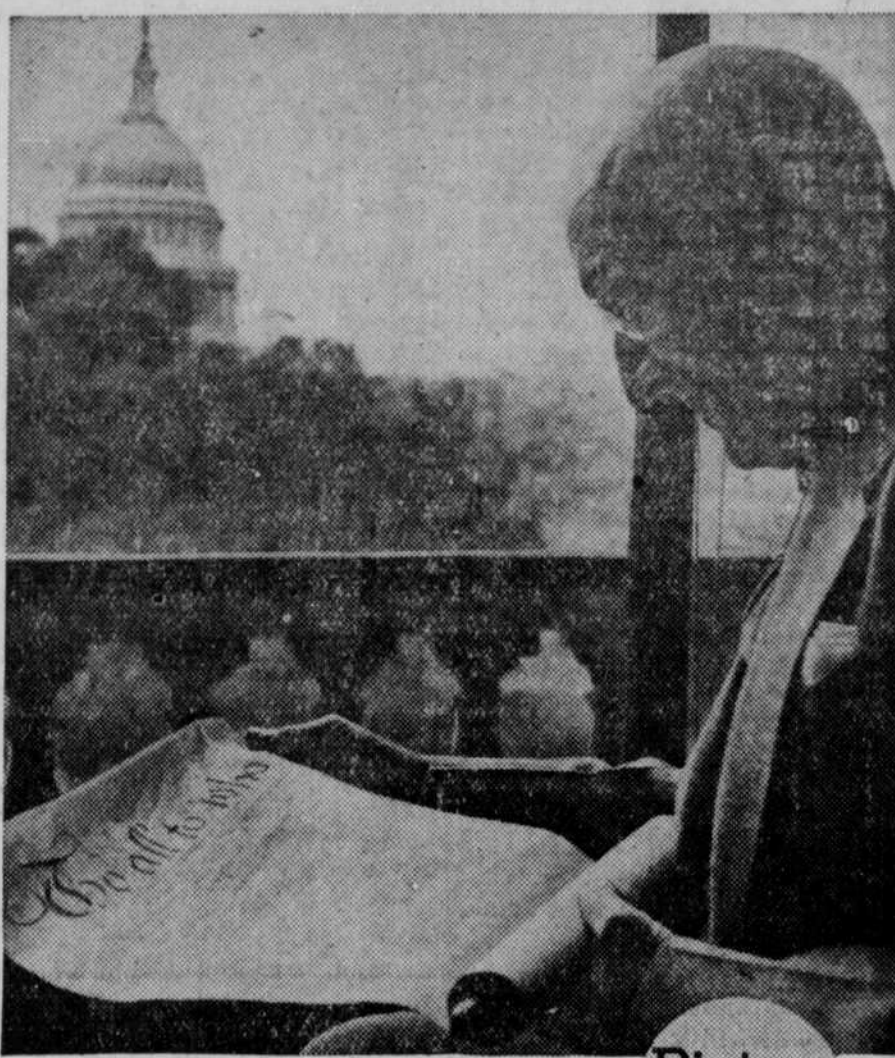
The importance in this change of opinion as to whether he will run or not lies in the natural results which may be expected to flow from it. Its mere consideration will show even a person unfamiliar with politics why a President must not say that he is not going to run again.

For the logical result is for people who believe firmly that the President is not going to run to line up behind some other candidate. Convinced that the President will not be a candidate, people naturally start figuring whom they prefer to take this place. Their reasoning may be based on sheer patriotism—which man other than Roosevelt would be best for the country? Or it might be based entirely on selfish interest—which man other than Roosevelt in the White House would probably be best for his pocket-book, perhaps as a business man, perhaps as a recipient of relief, perhaps as a taxpayer? Or, as we ascend the scale in political importance, it would probably take a more personal turn. Thus the question to any politician would be—

which man other than Roosevelt is apt to do more for me, as to consulting me on patronage, naming my political lieutenants to office, etc.? The politician also would weigh very carefully the odds on this candidate aiding his enemies.

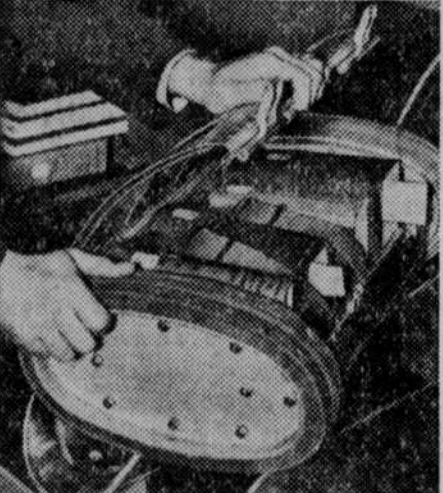
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## America's Shrine of History

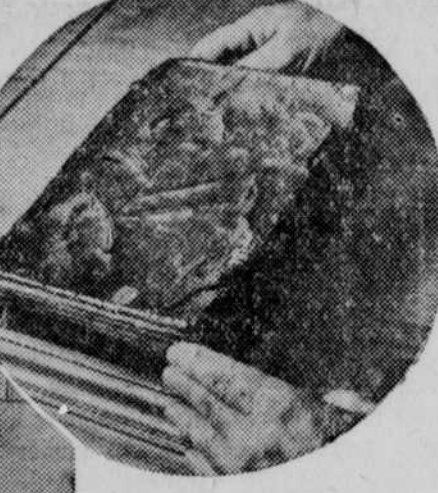


**Founded by act of congress in 1800, the library of congress at Washington is today the largest of its size in the world. Its nucleus was Thomas Jefferson's collection, and such treasures as the original constitution of the United States and the original articles of confederation, shown above being examined by Dr. St. George L. Sioussat. Since the library is growing constantly, an \$8,000,000 annex was recently added.**

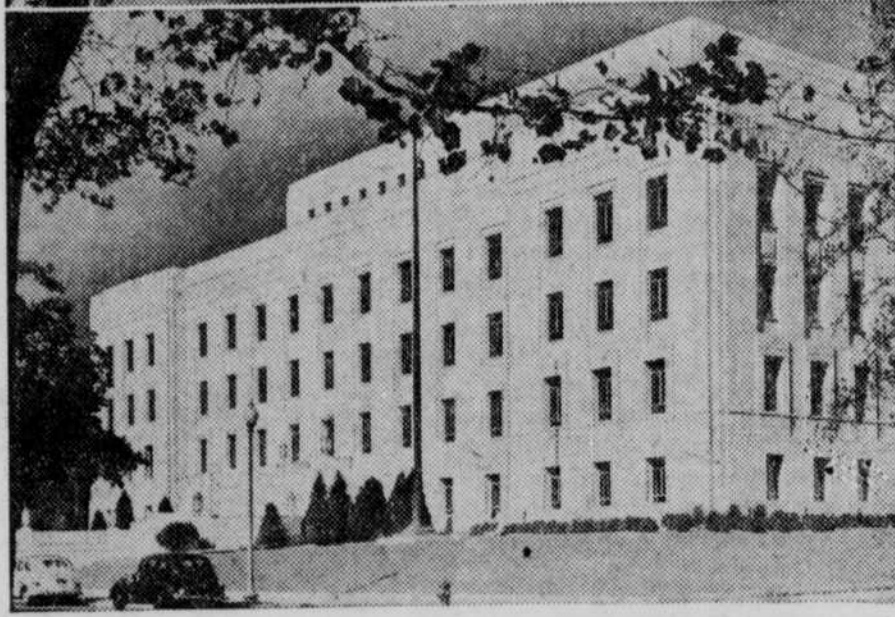
### Picture Parade



**Modernity strikes the staid library of congress. Above: "Speed capsules," a new gadget for shooting books through a 700-foot tunnel in 23 seconds. Their arrival at the destination is cushioned by a bank of air which prevents damage to the books.**



**Many of the library's books are rare items, like the above Eliot Indian Bible of 1663, the first Bible printed in America. It is in the Algonquin language and is bound in Morocco. At left, Mr. Valta Parma of the library examines a collection of rare books in the library's incunabula. Mr. Parma is holding a volume of canon law printed in Venice.**



**The new annex, which will care for the library's expansion requirements for some time, is architecturally as typical of its time as was the original or main building, which was built in 1897. It boasts murals by Erza A. Winter.**



## CLASSIFIED DEPARTMENT

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### Live Stock Commission

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### Uncle Phil Says:

**Useless by Itself**  
A pen is mightier than the sword, but it needs two aids; brains and ink.

History repeats itself, particularly the worst history.

Pope said, "Man is the glory, jest and riddle of the world;" but it is likely to be a different one who is each.

### Sadder, but Not Wiser

A fool and his money are soon parted, but that does not give him judgment and discretion.

Self-determination is good, but self-control is a great deal more important.

The world is full of time. Use it. An auto accident can happen in two seconds.

### It Would Be Well—

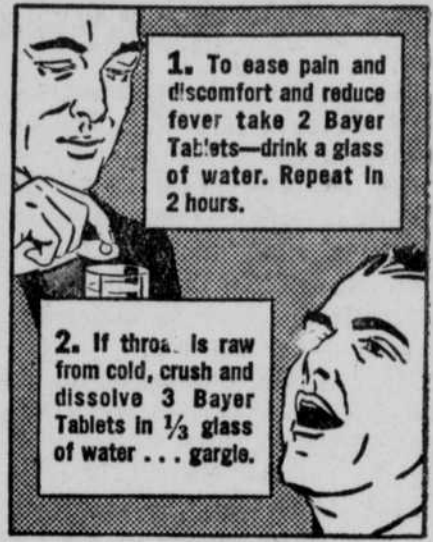
If the mind could reject poison as the stomach frequently does.

Public opinion is the greatest cork on free speech; not any law.

Bottles you have forgotten the purpose of have got into the medicine chest like keys on your key-ring.

## HOW TO RELIEVE COLDS

Simply Follow These Easy Directions to Ease the Pain and Discomfort and Sore Throat Accompanying Colds



**1. To ease pain and discomfort and reduce fever take 2 Bayer Tablets—drink a glass of water. Repeat in 2 hours.**

**2. If thro. is raw from cold, crush and dissolve 3 Bayer Tablets in 1/2 glass of water . . . gargle.**

**THE SIMPLE WAY** pictured above often brings amazingly fast relief from discomfort and sore throat accompanying colds. Try it. Then—see your doctor. He probably will tell you to continue with the Bayer Aspirin because it acts so fast to relieve discomforts of a cold. And to reduce fever.

This simple way, backed by scientific authority, has largely supplanted the use of strong medicines in easing cold symptoms. Perhaps the easiest, most effective way yet discovered. But make sure you get genuine BAYER Aspirin.

15¢ FOR 12 TABLETS  
2 FULL DOZEN 25¢

In Discipline  
Difficulty is but another name for discipline.

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"For thirty years constipation caused me headaches and pains in the back. Awful gas bloating crowded my heart. Adierka helped right away. Now I eat sausage, bananas, pie, anything I want and never feel better."—Mrs. Mabel Schott. Two things happen when you are constipated. FIRST: Accumulated wastes swell up bowels and press on nerves in the digestive tract. SECOND: Partly digested food starts to decay forming GAS, bringing on sour stomach, indigestion, and heartburn, bloating you up until you sometimes gasp for breath. Adierka gives double relief with DOUBLE ACTION. Adierka relieves STOMACH GAS almost at once. It often clears bowels in less than two hours. No griping, no after effects, just quick results. Recommended by many doctors for 35 years. Sold at all drug stores.

## CLASSIFIED ADVERTISING

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